

PARAMOUNT MOTORS CORPORATION
(A DELAWARE CORPORATION)

AND SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME ACCOUNT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1967

Rent Income, etc.	\$3,660,992.21
Expenses and deductions	<u>2,226,903.36</u>
Profit on real estate operations	\$1,434,088.85
Other income	
Interest and dividends received, etc.	<u>196,021.13</u>
Net operating profit	\$1,630,109.98
Less: Provision for depreciation and write-off of mortgage costs	<u>510,773.98</u>
Balance	\$1,119,336.00
Less: Provision for Federal and State income taxes	<u>496,888.03</u>
Net Income	<u>\$ 622,447.97</u>

RECONCILIATION OF CONSOLIDATED RETAINED EARNINGS

Balance — October 1, 1966	\$7,367,862.20
Add: Net Income for the fiscal year ended September 30, 1967	<u>622,447.97</u>
Total	\$7,990,310.17
Less: Cash dividends paid — 148,388 shares — \$2.00 per share	<u>296,776.00</u>
Retained Earnings — September 30, 1967	<u>\$7,693,534.17</u>

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ANNUAL REPORT
To THE STOCKHOLDERS
OF
PARAMOUNT
MOTORS
CORPORATION

SEPTEMBER 30th, 1967

PARAMOUNT MOTORS CORPORATION

(A DELAWARE CORPORATION)

AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 1967

ASSETS

Current		
Cash in banks and on hand	\$	363,036.21
Investments—at cost		
U. S. Government and Other Marketable securities	5,082,350.70 (2)	
(Market value \$5,096,862.00)		
Accrued interest receivable	67,532.34	
Notes and accounts receivable	56,647.05	
Total Current Assets		\$ 5,569,566.30
Real Estate		
Costs	\$16,755,537.24 (1)	
Less: Accumulated depreciation	8,045,039.11	
Costs—Less Depreciation		8,710,498.13
Other		
Cash surrender value of life insurance	\$	51,481.60
Furniture and fixtures (less depreciation)		20,415.50
Deferred charges to operations		
Mortgage costs	\$ 67918.25	
Other	133,48.65	201,766.90
Total Other Assets		273,664.00
Total		\$14,553,728.43

LIABILITIES AND CAPITAL

Liabilities		
Current		
Accounts payable and accruals	\$	253,280.68
Federal and state income taxes		478,388.03
Deposits and rents received in advance		128,408.87
Mortgages payable—Due within one year		128,166.32 (1)
Total Current Liabilities		\$ 988,243.90
Other		
Mortgages payable—Due after one year		5,308,510.59 (1)
Total Liabilities		\$ 6,296,754.49
Capital		
Capital stock		
(Authorized 300,000 shares common		
\$1.00 par)		
(Issued 259,110 shares common		
\$1.00 par)	\$	259,110.00
Paid in surplus		1,342,731.87
Retained earnings		7,693,534.17
Total		\$ 9,295,376.04
Less: Treasury stock (at cost 110,722		
shares common)		1,038,402.10
Total Capital (148,388 shares common—		
Net outstanding)		8,256,973.94
Total		\$14,553,728.43

Note 1 — Mortgages are due by two wholly-owned subsidiaries and secured by liens on their realty.

Note 2 — Approximately \$60,000.00 in securities are held in escrow by one of the lending institutions as security for payment of current realty taxes.

Note 3 — There is currently pending against various subsidiary corporations unsettled tax claims approximating \$317,000.00 asserted by the Federal Government for fiscal years ended September 30, 1962, 1963 and 1964. These claims are being contested and no liability for same have been set up on the books, pending final determination.

To the Board of Directors and Stockholders of Paramount Motors Corporation:

We have examined the consolidated balance sheet of Paramount Motors Corporation and its consolidated subsidiaries as of September 30, 1967 and the related statements of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated income and retained earnings present fairly the financial position of Paramount Motors Corporation and its subsidiaries at September 30, 1967 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

December 12, 1967

(Signed) JACOBS & FURMAN
(Certified Public Accountants)